

THE ROLE OF SOCIAL VARIABLES IN CONSUMER LOYALTY REGARDING CHINESE

THE ROLE OF SOCIAL VARIABLES IN U.S. CONSUMER LOYALTY REGARDING
CHINESE CONSUMER ELECTRONICS

A Thesis

Presented to

The Faculty of the Department of Human Development and Consumer Sciences

University of Houston

In Partial Fulfillment

of the Requirements for the Degree

Master of Science

By

Jingwei Cai

December, 2015

ACKNOWLEDGEMENTS

First of all, I would like to express my sincere gratitude to my advisor Dr. Jungkun Park for the continuous support of my Master's studies and related research, as well as patience, motivation, and immense knowledge. He guided me in every step of my research and writing of this thesis. I could not have imagined having a better advisor and mentor for my Master's study.

Besides my advisor, I would like to thank the rest of my thesis committee, Dr. Barbara Stewart and Dr. Andy Hines, for their insightful comments and encouragement, and also for their critical questions that fueled my incentive to widen my research from various perspectives.

I would also like to thank my colleagues, Jiseon Ahn, Mae Woods, Nousheen Nasir, Sehaam Ahmed, and Sydney Gerbracht for their suggestions throughout this process.

Last but not the least, I would like to thank my parents, my friends, and roommate for supporting me spiritually throughout writing this thesis and my life in general.

THE ROLE OF SOCIAL VARIABLES IN CONSUMER LOYALTY REGARDING CHINESE

THE ROLE OF SOCIAL VARIABLES IN U.S. CONSUMER LOYALTY REGARDING
CHINESE CONSUMER ELECTRONICS

An Abstract of a Thesis

Presented to

The Faculty of the Department of Human Development and Consumer Sciences

University of Houston

In Partial Fulfillment

of the Requirements for the Degree

Master of Science

By

Jingwei Cai

December, 2015

Abstract

Despite numerous studies on consumer attitudes toward Chinese products and the consumer trust-satisfaction-loyalty link, little empirical work has been conducted to investigate the causal effects of social variables, such as social influence and word-of-mouth, and the consumer satisfaction-loyalty link of Chinese consumer electronics within the U.S. market. Thus, this study developed a conceptual model to examine the significant effects of word-of-mouth on consumers' trust, satisfaction, and loyalty regarding consumer electronics which are made in China. This study utilized two types of social variables: word-of-mouth and social influence, and has explored the relations between the two social variables and two dimensions of consciousness: health consciousness and price consciousness. Within the model, the relations between the trust-satisfaction-loyalty link and two dimensions of consciousness have been tested.

Keywords: social variables, social influence, word-of-mouth, consciousness, trust, satisfaction, loyalty

Table of Contents

Chapter 1 Introduction

- 1.1 Background and Problem Discussion
- 1.2 Purpose and Implications

Chapter 2 Literature Review and Theoretical Framework

- 2.1 Word-of-Mouth
- 2.2 Social Influence
- 2.3 Consciousness
- 2.4 Trust
- 2.5 Satisfaction
- 2.6 Loyalty
- 2.7 Consumer Trust-Satisfaction-Loyalty Link
- 2.8 Research Hypotheses

Chapter 3 Methods and Procedures

- 3.1 Data Collection
- 3.2 Sample Selection
- 3.3 Data Analysis
- 3.4 Measurement Development

Chapter 4 Analyses and Results

- 4.1 Descriptive Analysis
- 4.2 Reliability and Validity Test
- 4.3 Testing of Hypotheses

Chapter 5 Discussion and Conclusion

- 5.1 Discussion
- 5.2 Theoretical and Managerial Implications
- 5.3 Limitations and Directions for Future Research

References

Appendix

- Figure 1. Conceptual Model of the Role of Social Variables on Consumer Loyalty
- Figure 2. Results of the Testing of Proposed Model
- Table 1. Variable Measurements
- Table 2. Demographic Characteristics

THE ROLE OF SOCIAL VARIABLES IN CONSUMER LOYALTY REGARDING CHINESE

Table 3. Reliability and Validity Test Results

Table 4. Construct Means, Standard Deviations, and Correlations

Table 5. Structural Model Results

Table 6. Results of the Structural Equation Model

Chapter 1 Introduction

1.1 Background and Problem Discussion

The high-tech industry is growing globally and consumer electronics are more readily available than ever before, offering a greater variety to consumers (Risselada, Verhoef, & Bijmolt, 2014). In order to produce goods at competitive prices, many consumer electronics companies choose to make or assemble their products in Asian countries. China, Vietnam, Thailand, and Cambodia are currently regarded as “Factory Asia” (Canals, 2014). China is acknowledged as the heart of “Factory Asia”, because it makes almost half the world’s goods across all product categories (Canals, 2014). While China’s global manufacturing output in 1990 was less than 3%, it now accounts for almost 25% (The Economist, 2015). “Made in China” is known to people all over the world, especially consumers in the United States. From shoes and apparel, to furniture and electronics products, many of the consumer goods sold in the U.S. are “Made in China”. The concept of “Factory Asia” started because of the quantity of high-tech products that are assembled in China (Vermeulen, 2015). According to *The Economist* (2015), China produces about 80% of the world’s air-conditioners and 70% of mobile phones. For example, the two giant consumer electronics producers Apple and Samsung accounted for 46% of global smartphone sales and 99% of the industry’s operating profits (Lee & Gereffi, 2013). All of the Apple products are assembled in China (Basulto, 2013) and many of the parts used within Samsung smartphones are made in China (Mack, 2012). As stated, the United States is the largest market for both Samsung and Apple (Corstjens & Merrihue, 2003). Therefore, China is undoubtedly the world’s largest mobile phone exporter and Chinese consumer electronics are widely used within the U.S market (Lee, Gereffi, & Nathan, 2013).

THE ROLE OF SOCIAL VARIABLES IN CONSUMER LOYALTY REGARDING CHINESE

Consumer loyalty has received significant managerial and academic attention for its importance of preventing consumer's switching to competitor's products and increasing consumers' repurchase intentions, ultimately benefiting companies' profits. Most academic studies have looked at the determinants of consumer loyalty, examining the process by which factors influence consumer loyalty.

The acknowledged conditions to measure consumer loyalty, consumer repurchase intentions, and behaviors have been explored by many previous researchers. Consumer repurchase behavior is a type of trust based purchase decision (Kim, Ferrin, & Rao, 2008). There are many studies focused on consumer decision making (Bettman, Johnson, & Payne, 1991; Friedman, 1967; Hoyer, 1984; Shiv & Fedorikhin, 1999). Wood and Hayes (2012) found that during the purchase decision making process for products and services, it is easy for people to be influenced by the judgements of others. This is consistent with Brooks' (1957) assertion that word-of-mouth has significant effects on consumer product adoption. Social influence has also been recognized as one of the core determinants of consumer decision making (Wood & Hayes, 2012). Word-of-mouth communication and social influence, as social variables, are two major factors that can change consumers' attitudes and/or affect their purchase intentions (Brown & Reingen, 1987; Van den Bulte & Stremersch, 2004). A previous study indicated that consumers with low loyalty for products or services are much more influenced by negative information (Donio, Massari, & Oassiante, 2006). Both positive and negative product information, comments, and judgements belong to word-of-mouth and social influence, which can be easily accessed by consumers via multiple sources including online and offline channels. Therefore, understanding the relationship between social variables, and consumer trust and satisfaction is key to increasing consumer purchase behavior and repurchase intention. Additionally,

consumers' personalities and consciousness can also make a difference on consumer attitudes (Nuttin, 1995). Different types of consumers' consciousness has been explored as factors on consumer decision-making style (Sprotles & Kendall, 1986).

The issue of determinants of consumer loyalty has received limited attention in the specific product category - Chinese consumer electronics. Several studies have investigated U.S. consumers' attitudes towards Chinese products, but no specific product category has been empirically explored by analyzing the effects of social variables on consumer loyalty (Kaynak & Cavusgil, 1983; Schniederjans, Cao, & Olson, 2004). Since consumers generally associate Chinese products with lesser quality and lower prices than local products (Lew & Sulaiman, 2014), two dimensions of consciousness have been chosen within the conceptual model of this study - health consciousness and price consciousness, which provide detailed and pointed consumer consciousness information to the company to observe the influence of attitude on purchasing behavior.

1.2 Purpose and Implications

The primary goal of this study was to explore the influence of social variables on consumer trust, satisfaction, and loyalty regarding Chinese consumer electronics which is mediated by consumers' consciousness. Secondly, this study attempted to test the relations between two social variables - word-of-mouth and social influence, and their influence on health consciousness and price consciousness. Additionally, the present study empirically tested the trust, satisfaction, and loyalty link for a specific product category - Chinese consumer electronics.

To achieve these goals, this study proposed a conceptual model of the factors of consumer trust-satisfaction-loyalty creation for Chinese consumer electronics. This conceptual model

describes the framework of the interconnections between social variables, consumer consciousness, and the consumer trust-satisfaction-loyalty link. The social variables included in the model of this study are social influence and word-of-mouth. These two variables are then mediated by health consciousness and price consciousness, which in turn impact consumer loyalty.

The findings fill research gaps for both general Chinese products and for specific Chinese consumer electronics. The determinants for consumer trust, satisfaction, and loyalty towards Chinese consumer electronics have been defined, which will help firms understand consumer attitude and core factors considered when deciding to choose Chinese consumer electronics, and will assist firms increase accuracy when identifying target customer groups and create appropriate promotions for the specific product.

Chapter 2 Literature Review and Conceptual Framework

2.1 Word-of-Mouth

Word-of-mouth communication has received great attention from both practitioners and academics for decades (De Bruyn & Lilien, 2008). Word-of-mouth is defined as the act of exchanging marketing information among consumers (Grewal, Cline, & Davies, 2003). It is also known as communication between consumers concerning the evaluation of services and products (Dichter, 1966; Fornel & Bookstein, 1982; Anderson, 1998). Typically, traditional word-of-mouth is characterized as an oral, person-to-person communication of non-commercial messages between a receiver and a communicator (Arndt, 1967; Rogers, 1995; Chu & Kim, 2011). Word-of-mouth communication is bidirectional and interactive, composed by opinion leaders and opinion seekers (Gilly, Graham, Wolfinbarger, & Yale, 1998).

An antecedent of product-related word-of-mouth communication is the individual degree of satisfaction or dissatisfaction with consumption experience (Arndt, 1967; Bitner, 1990; Dichter, 1996; Westbrook, 1987). Anderson (1998) further stated that positive, neutral, or negative are three dimensions of word-of-mouth; positive word-of-mouth includes relating pleasant, novel, and vivid experiences; and negative word-of-mouth refers to relating unpleasant experiences, rumors, or private complaining. This finding is consistent with Arndt's (1967) study indicating that in comparison to negative word-of-mouth, positive word-of-mouth about a new food product can make consumers more likely to purchase it. Word-of-mouth not only has influence on consumers' choices and purchase decisions (Price & Feick, 1984; Whyte, 1954), but can also help build up or destroy product image among potential consumers (Anderson, 2003). For example, consumers' purchase behavior of household goods and food products is highly influenced by the factor of word-of-mouth (Katz & Lazarsfeld, 1955). This is also true for

consumers' decision making on their selection of physicians (Feldman & Spencer, 1965) and automotive diagnostic centers (Engel, Blackwell, & Kegerries, 1969). In addition, Bone (1995) asserted that word-of-mouth communication can affect product judgments in both the short-term and long-term.

Given the context of e-commercialization and increased consumer interactivity among online social media, consumers are not only enabled to make comparisons on price and quality of products or services quickly and conveniently, but also to communicate with marketers, retailers, and other consumers (Chu & Kim, 2011). Consumers use online channels to seek and share product-related information in the same way they do offline (Goldsmith & Horowitz, 2006). Consumer e-word-of-mouth behavior through SNS, such as, Facebook and Google+, eventually influences others' purchasing journeys, especially for brand guidance and recommendations (Moran, Muzellec, & Nolan, 2014).

According to previous research, theoretical relations between word-of-mouth with consumers for general products and services have been established (Bansal & Voyer, 2000; Richins, 1983; Cheung & Thadani, 2012; Gu, Park, & Konana, 2012; Aslam, Jadoon, Zaman, & Gondal, 2012), as well as a general acceptance of the importance of word-of-mouth communication in influencing consumers' attitudes and behaviors (Brown & Reingen, 1987). Both positive, traditional word-of-mouth communication and e-word-of-mouth behaviors have been acknowledged as crucial communication strategies to help marketers promote their products or services (Goldenberg, Libai, & Muller, 2001). Some scholars have further developed this research by narrowing down product categories or service areas. Examples include the importance of word-of-mouth on movies (Liu, 2006), the effectiveness of word-of-mouth on book sales (Chevalier & Mayzlin, 2006), and how hotel online reviews or comments as e-word-

of-mouth affect people's online room bookings (Litvin, Goldsmith, & Pan, 2008; Ye, Law, Gu, & Chen, 2011). The current research explored the concept of word-of-mouth including both traditional word-of-mouth and e-word-of-mouth, especially focusing on consumer experience and information sharing intentions and behaviors regarding Chinese consumer electronics.

2.2 Social Influence

Social influence was originally developed within social psychology literature (Marinho, 1942; Turner, 1991). Raven (1965) defined social influence as change in a person's cognition, attitude, or behavior which has its origin in another person or group. According to marketing literature, social influence has been recognized as one of the core determinants of consumer decision making (Wood & Hayes, 2012). Social influence has also been defined as contagion specifically for new product diffusion (Van den Bulte & Stremersch, 2004). Previous scholars have explored two dimensions of social influence: an informational component and a normative component. The informational component focused on consumer's tendency to seek product or service information from other people and all the other public information sources; the normative component referred to consumer's need to enhance or identify with his or her image by sharing their purchase experience with others (Silvera, Lavack, & Kropp, 2008). For this study, the informational component dimension has been chosen as the definition of social influence. Social influence generally involves two parties: the adopter and the potential adopter in a manner similar to the influencer and the person to be influenced in word-of-mouth communication (Risselada et al., 2014). Although social influence seems to share the same basic rules with word-of-mouth, there is a very significant difference between them. Social influence is passive and automatically targeted via social advertising systems (Aral & Walker, 2011). Unlike word-of-mouth, which requires the opinion leaders' continually sharing messages with different

opinion seekers, social influence can occur continually without additional actions, once an individual creates a solid connection with the advertised product or service (Bakshy, Eckles, Yan, & Rosenn, 2012).

Based on the literature, for this current study, word-of-mouth was conceptualized to refer to consumer's information sharing behavior with intention to influence others' individual purchase decisions; social influence focused on the informational component dimension that consumer's information seeking intentions and behaviors which could assist their purchase decision making. Thus, this study explored whether consumers' individual information sharing intentions or behaviors of a certain product would become other consumers' product information sources which could affect their purchase decision making.

The relations between word-of-mouth and social influence for the product category of Chinese consumer electronics was hypothesized as follows:

H1. Word-of-mouth positively influences social influence for the purchase of Chinese consumer electronics.

2.3 Consciousness

According to Chang (1978), all psychological phenomena occur in consciousness both conscious and unconscious, as well as their correlates and derivatives. Nuttin (1955) revealed the relationship between consciousness and human behavior in that Man's conscious presence is behavioral presence. This means people's consciousness of the world is already implicit behavior, and behavior itself can also be regarded as externalized consciousness or realized presence in the world. Further, the relationship between consciousness and human language has been explored by Chafe (1974), who claimed that when a speaker transmits his own material or passes his information to an addressee in a language, with assumptions of what the addressee is

THE ROLE OF SOCIAL VARIABLES IN CONSUMER LOYALTY REGARDING CHINESE

conscious of, information can be effectively transmitted. Combining the two findings, human consciousness can process the information, select information to transmit and accept, and finally affect behavior. Consciousness can be generally regarded as the mediator between information and people's behavior. Consciousness not only plays an important role in psychology and linguistics (Arico, Fiala, Goldberg, & Nichols, 2011; Chafe, 1974; Wilber, 2000), but also in marketing and retailing research (Bargh, 2002). For example, consumers' different thought processes can differentiate their final purchase decision making based on the same social factors, such as, social information or judgements. (Wood & Hayes, 2012). In other words, under the same external factors, consumers' internal factors play significant roles in their purchase decision making, and consumers with different concerns will select different information to transmit to others and take from others.

There are several types of consciousness that have been investigated concerning consumers and their behavior: price consciousness (Gauzente & Roy, 2012; Kukar-Kinney, Walter, & MacKenzie, 2007; Sinha & Batra, 1999), value consciousness (Dutta & Biswas, 2005; Lichtenstein, Netemeyer, & Burton, 1990; Pillai & Kumar, 2012), fashion consciousness (Bakewell, Mitchell, & Rothwell, 2006; Stephen Parker, Hermans, & Schaefer, 2004; Tai, 2005), brand consciousness (Ghazali, 2010; Giovannini, Xu, & Thomas, 2015; Wolfe, 1942), health consciousness (Loebnitz & Bröring, 2015; Mai & Hoffman, 2015; Prasad, Strijnev, & Zhang, 2008), environmental consciousness (Schlegelmilch, Bohlen, & Diamantopoulos, 1996), and time consciousness (Kleijnen, De Ruyter, & Wetzels, 2007), etc.

Health consciousness and price consciousness have been chosen as the two main dimensions of consciousness in this study. Health consciousness was selected because for Chinese consumer electronics, most of the concerns about Chinese products were product quality

and product price (Lew & Sulaiman, 2014). Perceived product quality perceptions were determined by consumers' long-term health concerns (Rao & Ruekert, 1994). For this reason and because little research has compared the effects of health consciousness with price consciousness regarding consumer electronics, price consciousness was also selected. Therefore, health consciousness and price consciousness were utilized within this study.

There are different definitions of health consciousness. Some researchers believe that health consciousness refers to the degree of people's health concerns and their daily health care activities (Kraft & Goodell, 1993). Others regard health consciousness as one of the consumers' external characteristics of keeping healthy (Jayanti & Burns, 1998). Although both define individual's health behaviors, they describe different aspects. While different, both definitions reflect that the level of health consciousness can predict consumers' health care behavior, for health consciousness can influence consumers' attitudes or behaviors only through cognitively controlled processes (Mai & Hoffmann, 2015). Most of the health consciousness studies in marketing and retailing focus on food products or organic products. Paul and Rana (2012) have stressed that the consumer with higher health consciousness has a more positive attitude towards organic food and higher intentions to purchase organic food. Similarly, consumers' purchase intention for organic skin and hair care products were primarily determined by consumers' health consciousness (Kim & Chung, 2011). In order to apply the concept of health consciousness to a new product category, consumer electronics, a wider range of concerns is necessary to be defined. Low product quality in electronic products may cause exposure or chemical damage to users which may harm consumers' health. Thus, product quality and safety concerns are the core factors referred to as health consciousness.

Price consciousness refers to the degree to which consumers focus on searching for and paying a low price for a product or service (Lichtenstein, Bloch, & Black 1988; Lichtenstein, Ridgway, & Netemeyer 1993). Petroshius and Monroe (1987) proposed a widely accepted definition of price consciousness: high price conscious consumers are unwilling to pay a price that is higher than what they believe is acceptable to pay and they will abstain from purchasing if this is the case. Compared to other factors, obtaining a low price for the chosen product is most important for price conscious consumers. Sinha and Batra (1999) suggested that for price conscious consumers, there is a significant preference for purchasing private label products within certain product categories, especially for low risk categories. Consumers with higher price consciousness are more likely to do compulsive buying than lower price consciousness consumer (Kukar-Kinney et al., 2012). When seeking product information, search intention, purchase intention, and purchase behavior of high price conscious consumers can all be easily influenced by price discount level (Alford & Biswas, 2002). Additionally, price conscious consumers are willing to spend more time on information searching to evaluate associated product features (Gauzente & Roy, 2012).

Therefore, the effects of consumers' health consciousness and price consciousness on their information sharing and selection regarding Chinese consumer electronics have been explored.

Based on the literature review, the following hypotheses were proposed:

H2. Word-of-mouth positively influences consumers' health consciousness for the purchase of Chinese consumer electronics.

H3. Word-of-mouth positively influences consumers' price consciousness for the purchase of Chinese consumer electronics.

H4. Social influence positively influences consumers' health consciousness for the purchase of Chinese consumer electronics.

H5. Social influence positively influences consumers' price consciousness for the purchase of Chinese consumer electronics.

2.4 Consumer Trust

THE ROLE OF SOCIAL VARIABLES IN CONSUMER LOYALTY REGARDING CHINESE

Trust has been acknowledged as the essential element in all types of healthy relationships (Tschannen-Moran, 2014). Moorman, Deshpande, and Zaltman (1993) explained trust as people's willingness to rely on an exchange partner in whom they feel confident. Berle (1931) stressed the importance of trust in corporate powers, where higher trust between employees and company led to stronger corporate power in market competitions. In marketing, trust is regarded as one of the most important antecedents of stable and collaborative relationships (Akbar & Parvez, 2009). Morgan and Hunt (1994) suggested that trust is the key mediating variable in long-term customer relationships. This opinion was also illustrated by other researchers indicating that trust is essential for building and maintaining long-term business relationships (Rousseau, Stikin, Burt, & Camerer, 1998; Singh & Sirdeshmukh, 2000). Specifically, the psychological benefit of trust and belief is greater than any other social benefit or special treatment in the relationship between customers and service firms (Gwinner, Gremler, & Bitner, 1998). Five aspects of trust were listed by McKnight and Chervany (2001), they are disposition to trust, institutional-based trust, trusting beliefs, trusting intentions, and trust-related behavior. Trusting beliefs, trusting intentions, and trust-related behavior are of specific value to this discussion. Trusting beliefs are acknowledged as users' perceptions of attributes of service providers (Deng, Lu, Wei, & Zhang, 2010); trusting intentions refer to the users' willingness or intention to depend on the service providers (Deng et al., 2010); and trust-related behaviors describe the social and psychological behaviors of users which are related to their adoption behaviors (McKnight & Chervany, 2001). Trusting beliefs and trusting intentions are considered as antecedents to trust-related behavior (McKnight & Chervany, 2006).

In the context of this work, consumer trusting beliefs referred to consumer health consciousness and price consciousness that served as consumers' perceptions of Chinese

consumer electronics. Consumers' trusting intentions were measured by consumers' satisfaction based on experiences with Chinese consumer electronics. The trust-related behavior described consumer loyalty for Chinese consumer electronics, which included consumer repurchase intention and consumer willingness to recommend to others. Few studies have practically explored the influence of word-of-mouth on consumer trust mediated by consumer consciousness. One previous study investigated how price consciousness works with trust and showed that high price consciousness can weaken relationships between consumers and the salesperson, thus requiring more effort and service to build up trust between high price conscious consumers and salespersons (Homburg & Stock, 2005). However, none has research been focused on the effects of consumer health consciousness and price consciousness on consumer trust regarding Chinese consumer electronics.

Thus, the following hypotheses were proposed:

H6. Consumers' health consciousness positively influences consumers' trust for the purchase of Chinese consumer electronics.

H7. Consumers' price consciousness positively influences consumers' trust for the purchase of Chinese consumer electronics.

2.5 Consumer Satisfaction

The concept of consumer satisfaction has been explored in multiple disciplines, including consumer research, marketing, retailing, advertising, psychology, and economics (Akbar & Parvez, 2009). Kotler and Armstrong (1996) interpreted consumer satisfaction as the feeling that results from a process of purchase, including the evaluation of what was received as compared with expectations, the purchase decision, and all the other wants and needs relevant to the purchase. The primary antecedents of consumer satisfaction of products have been acknowledged as products' perceived performance and consumers' expectations regarding the performance (Johnson & Fornell, 1991). Another simple definition as proposed by Oliver (1997)

is that consumer satisfaction is the level of pleasure of the consumption process related fulfillment. The level of consumer satisfaction for a product or service can predict consumers' future usage intention (Belanche, Casalo, & Guinaliu, 2012). This supports the opinion from Bolton (1998) , that consumer satisfaction is highly relevant to repurchase intentions. Johnson and Fornell (1991) suggested consumer satisfaction as a significant determinant of consumer retention and that high consumer retention can help firms survive in the competitive market. This current research suggested that consumer satisfaction referred to consumers' expectations and their perceived product performance for Chinese consumer electronics.

2.6 Consumer Loyalty

Consumer loyalty refers to a consumer's attitudes and behaviors concerning a product, or service (Akbar & Parvez, 2009). According to Cronin and Taylor (1992), consumer loyalty can be judged by repurchase intention or the purchase of additional products from the same company, consumers' willingness to recommend the company to others, and resisting switching to a competitor. There are three popular conceptualizations of loyalty: first is the attitude which can result in a relationship between consumers and the brand; second is revealed behavior; and third is a more complicated concept which includes the influence of consumer characteristics, and circumstances and the purchase situation (Uncles, Dowling, & Hammond, 2003). In order to differentiate consumer loyalty from simple repeat purchase behavior, Jacoby and Kyner (1973) presented a set of six strict conditions on loyalty behavior. They specified that consumers' behavioral responses were biased, expressed overtime, by some decision-making unit, with respect to one or more alternative brands, out of set of such brands, and that loyalty behavior was a function of psychological and evaluative decision-making processes. Consumer loyalty can also be measured by a customer's devotion to a certain brand in the long-term (Lee, Lee, &

Feick, 2001). Increasing consumer loyalty for different product categories is important to retaining existing consumers, and strengthening consumer loyalty is crucial for product providers to gain competitive advantage (Deng et al., 2010).

In the context of the current study, consumer loyalty referred to consumer repurchase intention for Chinese consumer electronics rather than switching to consumer electronics made or assembled in other countries.

2.7 Consumer Trust-Satisfaction-Loyalty Link

Consumer trust, satisfaction, and loyalty as three main market response outcomes (Jin & Park, 2006) have been widely studied with consistent results reported. The trust-satisfaction link (Lagace, 1991), satisfaction-loyalty link (Westbrook, 1981), and consumer trust-loyalty link (Reichheld & Schefter, 2000) have already been tested by many scholars for both offline and online retailing settings. Singh and Sirdeshmukh (2000) tested the trust-satisfaction link by proposing a multidimensional conceptualization of consumer trust (i.e. trust, and distrust). As for the satisfaction-loyalty link, the connection between consumer satisfaction and loyalty has been shown to be affected by several factors, such as market regulations, switching costs, brand equity, proprietary technology, existence of loyalty programs, and product differentiation at the industry level (Fornell, 1992). Lee et al., (2001) investigated the customer satisfaction-loyalty link for mobile phone service in France; Walsh, Evanschitzky, and Wunderlich (2008) identified moderator variables within the customer satisfaction-loyalty link; and Kuppelwieser and Sarstedt (2014) explored the influence of customers' time horizon perspectives on the consumer satisfaction-loyalty link.

According to Kotler (2000), consumers are typically value-maximizers where value refers to consumer's perception of the cost and benefits in completing the purchase. Sirdeshmukh, Singh,

and Sabol (2002) further indicated that the trust-loyalty link is mediated by value in an alternative way. Alhabeeb (2007) proposed a conceptual model of the trust-loyalty link to illustrate the interrelationships among consumers and firms, where consumer trust is transformed to product loyalty. When combining the three (trust-satisfaction link, satisfaction-loyalty link, trust-loyalty link) links as one trust-satisfaction-loyalty link, previous researchers examined the influence of a firm's reputation on the trust-satisfaction-loyalty link (Jin, Park, & Kim, 2008), and incorporated the trust-satisfaction-loyalty link into the retail employee research to confirm the relationship between interpersonal trust, employee satisfaction, and employee loyalty (Matzler & Renzl, 2006).

The literature review of these topics has illustrated the theoretical background of the relations among consumer trust, consumer satisfaction, and consumer loyalty. Combining and applying these results to the current study, consumer trust level of Chinese consumer electronics was hypothesized to have influence on consumer satisfaction, which is based on their practical usage or experience on the product. Both consumer trust and consumer satisfaction leads to repurchase intention of Chinese consumer electronics.

In order to test the implied relations of consumer trust-satisfaction-loyalty for Chinese consumer electronics, the following hypotheses were proposed:

H8. Consumers' trust of Chinese consumer electronics positively influences consumers' satisfaction for the purchase of Chinese consumer electronics.

H9. Consumers' satisfaction of Chinese consumer electronics positively influences consumers' loyalty for the purchase of Chinese consumer electronics.

H10. Consumers' trust of Chinese consumer electronics positively influences consumers' loyalty for the purchase of Chinese consumer electronics.

2.8 Research Hypotheses

Based on the literature review above, the conceptual model of the role of social variables and consumer loyalty (See Figure 1) was developed, and research hypotheses were as follows:

- H1.** Word-of-mouth positively influences social influence for the purchase of Chinese consumer electronics.
- H2.** Word-of-mouth positively influences consumers' health consciousness for the purchase of Chinese consumer electronics.
- H3.** Word-of-mouth positively influences consumers' price consciousness for the purchase of Chinese consumer electronics.
- H4.** Social influence positively influences consumers' health consciousness for the purchase of Chinese consumer electronics.
- H5.** Social influence positively influences consumers' price consciousness for the purchase of Chinese consumer electronics.
- H6.** Consumers' health consciousness positively influences consumers' trust for the purchase of Chinese consumer electronics.
- H7.** Consumers' price consciousness positively influences consumers' trust for the purchase of Chinese consumer electronics.
- H8.** Consumers' trust of Chinese consumer electronics positively influences consumers' satisfaction for the purchase of Chinese consumer electronics.
- H9.** Consumers' satisfaction of Chinese consumer electronics positively influences consumers' loyalty for the purchase of Chinese consumer electronics.
- H10.** Consumers' trust of Chinese consumer electronics positively influences consumers' loyalty for the purchase of Chinese consumer electronics.

Chapter 3. Methods and Procedures

Reliability, validity, and factor analyses were performed by use of the Statistical Package for the Social Science (SPSS). Then, to build the measurement and structural models, structural equation modeling (SEM) was conducted to test the proposed model. SEM has been widely used across many disciplines since the 1970's due to its generality and flexibility to evaluate the validity of substantive theories with empirical data (Lei & Wu, 2007). In other words, the SEM represents an extension of general linear modeling with statistical procedures to test whether collected data are consistent with the theoretical model (Kline, 2011). Factors analysis, multiple regression analysis, and path analysis mainly constitute the SEM techniques, as it is useful to analyze the structural relationship between measured variables and latent constructs (Tenenhaus, Vinzi, Chatelin, & Lauro, 2005; Muthén, 1984). Many researchers have utilized the structural equation model to measure the role of word-of-mouth on customer satisfaction (Anderson, 1998; Babin, Lee, Kim, & Griffin, 2005); Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004), determinants of consumer repurchase intention (Hellier, Geursen, Carr, & Rickard, 2003), and influential elements in consumer loyalty (Wallin Andreassen & Lindestad, 1998). In order to analyze the data of the proposed model, Analysis of Moment Structures (AMOS) as one of the software programs for SEM analyses was conducted within current study. AMOS is distributed with SPSS and extends the multiple regressions or the standard multivariate analyses, as well as shows the relationships among the variables (Ahmad et al., 2010).

3.1 Data Collection

Data was collected using an online survey. A research framework was designed to test the above hypothesized relationships regarding how word-of-mouth and social influence affect consumer trust, satisfaction, and loyalty for Chinese consumer electronics mediated by health

consciousness and price consciousness. For this purpose, all consumer electronics that were made in China or assembled in China were selected as the target products within the U.S. market.

Participants were surveyed via a self-administered questionnaire. The questionnaire included questions to assess key constructs that investigated: (1) word-of mouth (Walsh & Beatty, 2007), (2) social influence (Bearden, Netemeyer, & Teel, 1989), (3) health consciousness (Jayanti & Burns, 1998), (4) price consciousness (Homburg & Stock, 2005), (5) trust (Delgado-Ballester, Munuera-Aleman, & Yague-Guillen, 2003), (6) satisfaction (Oliver, 1980), and (7) loyalty (Delgado-Ballester et al., 2003).

3.2 Sample Selection

The data for this study was collected by an online survey using a self-administered questionnaire within the United States. Respondents were at least 18 years old and were asked to finish the entire questionnaire and answer all the questions based on their perceptions of Chinese consumer electronics. Five hundred randomly selected participants were contacted using the Amazon Mechanical Turk (MTurk) website. Questionnaires were distributed using the site. The definition of “Chinese consumer electronics” was given in the very beginning of the questionnaire, stated as consumer electronics which were made/assembled in China. Three hundred and forty four usable responses were obtained.

Amazon’s Mechanical Turk (MTurk) “gives business and developers access to an on-demand, scalable workforce” (Amazon, 2014). MTurk includes all major elements required to conduct research, such as, an integrated participant compensation system, a large participant pool, and a streamlined process of study design, participant recruitment, and data collection (Buhrmester, Kwang, & Gosling, 2011). According to Mason and Suri (2012), MTurk contains

an existing pool of potential subjects that remains relatively stable over time which is regarded as a unique benefit over other methods of conducting behavioral research. Since Amazon MTurk allows for simple distribution of tasks to a large number of respondents (Ipeirotis, Provost, & Wang, 2010) and respondents can be chosen with certain qualifications to complete human intelligence tasks, MTurk has been acknowledged as a method to obtain high-quality data with a low cost in a short time. Based on the previous research regarding Amazon MTurk, it was utilized for the current study. Each participant was paid \$0.05 after finishing the survey on the Amazon MTurk website.

3.3 Data Analysis

This study suggested propositions to examine the impact of social variables in the process of creating consumer loyalty regarding Chinese consumer electronics. In order to achieve this goal, a qualitative study was conducted using an online survey. Cronbach's Alpha values were chosen as the method to examine the internal consistency of the constructs. Confirmatory Factor Analysis (CFA) was used to identify dimensions within the current study and the Structural equation modeling technique was used to verify the structure and examine the underlying dimensionality. Subsequently, the proposed model was tested by using SEM procedures.

3.4 Measurement Development

The self-administered online survey contained of 36 questions. All items were adapted from previous research and were modified when necessary to fit the context of the current study. The online questionnaire consisted of four sections. In the first section of the questionnaire, consumers' engagement in word-of-mouth communication and social influence were examined by assessing opinion seeking, opinion leadership, and pass-along behaviors regarding Chinese consumer electronics. In the second section, consumers' health consciousness and price

THE ROLE OF SOCIAL VARIABLES IN CONSUMER LOYALTY REGARDING CHINESE

consciousness in general were explored. In the third section, consumers' trust, satisfaction, and loyalty regarding Chinese consumer electronics were gauged by assessing their previous shopping or user experience with Chinese consumer electronics. In the last section of the questionnaire, demographic characteristics such as gender, age, ethnicity, and highest education level were examined. All the items within the questionnaire, besides the demographics, used a seven-point Likert scale, with the end points "very strongly disagree" and "very strongly agree". The Likert rating scale's benefit was its ease of standardized measurement.

The specific measures were as follows:

Word-of-mouth

Three questions were asked to determine the consumers' engagement in word-of-mouth regarding Chinese consumer electronics. They were adapted from Walsh and Beatty's (2007) study.

- I'm likely to post status/photos/comments about the Chinese consumer electronics I possess in my social network. (Q1)
- I would recommend the Chinese consumer electronics to my friends and relatives. (Q2)
- If my friends were looking for new products, I would tell them to try the Chinese consumer electronics I have used. (Q3)

Social Influence

Four items adapted from Bearden, Netemeyer, and Teel (1998) were used to measure consumers' engagement in social influence regarding Chinese consumer electronics.

- To make sure I buy the right product or brand, I often observe what others are buying and using. (Q4)
- If I have little experience with a product, I often ask my friends about the product. (Q5)

THE ROLE OF SOCIAL VARIABLES IN CONSUMER LOYALTY REGARDING CHINESE

- I often consult other people to help choose the best alternative available from a product class. (Q6)
- I frequently gather information from friends or family about a product before I buy. (Q7)

Health Consciousness

Health consciousness was the first part of the second section of the questionnaire. Six items were designed to examine consumers' health consciousness by assessing consumers' concern about product quality and product safety in general. Measurements for the evaluation of health consciousness came from Jayanti and Burns's (1998) study with 6 items.

- I worry that there are harmful chemicals in my food. (Q8)
- I am concerned about my drinking water quality. (Q9)
- I usually read the ingredients on food labels. (Q10)
- I read more health-related articles than I did 3 years ago. (Q11)
- I am interested in information about my health. (Q12)
- I am concerned about my health all the time. (Q13)

Price Consciousness

Price consciousness was the second part of the second section of the questionnaire. Four items were used to capture price consciousness. These questions were adapted from Homburg and Stock (2005).

- I am very price conscious as a customer. (Q14)
- Already a minor price increase would reduce my purchase volume for the products/services of this supplier. (Q15)
- The price level of the products/services of this supplier is very important for me. (Q16)

THE ROLE OF SOCIAL VARIABLES IN CONSUMER LOYALTY REGARDING CHINESE

- I regularly compare the prices of this supplier with the prices of alternative suppliers.

(Q17)

- I care a lot for low prices. (Q18)

Trust-Satisfaction-Loyalty

In the third part, respondents were asked about trust, satisfaction, and loyalty regarding Chinese consumer electronics. This section contained fourteen items in total to measure the degree of consumers' preference for Chinese consumer electronics and consisted of four items on a trust scale (Delgado-Ballester et al., 2003), six items on a satisfaction scale (Oliver, 1980), and four items on a loyalty scale (Delgado-Ballester et al., 2003).

- Chinese consumer electronics meets my expectations. (Q19)
- I feel confidence in Chinese consumer electronics. (Q20)
- Chinese consumer electronics never disappoints me. (Q21)
- Chinese consumer electronics guarantees satisfaction. (Q22)
- I am satisfied with my decision to get or not to buy Chinese consumer electronics. (Q23)
- If I had it to do all over again, I would feel differently about the Chinese consumer electronics. (Q24)
- My choice to get or not to buy Chinese consumer electronics was a wise one. (Q25)
- I feel bad about my decision concerning Chinese consumer electronics. (Q26)
- I think that I did the right thing when I decided to get or not to buy Chinese consumer electronics. (Q27)
- I am not happy that I did what I did about Chinese consumer electronics. (Q28)
- I consider myself to be loyal to the Chinese consumer electronics. (Q29)

THE ROLE OF SOCIAL VARIABLES IN CONSUMER LOYALTY REGARDING CHINESE

- I am willing to pay more for the Chinese consumer electronics than for other products on the market. (Q30)
- If the Chinese consumer electronics is not available at the store, I would buy it in another store. (Q31)
- I recommend to buy the Chinese consumer electronics. (Q32)

(See Table 1. for variable measurement items)

Chapter 4. Analyses and Results

4.1 Descriptive Analysis

Descriptive analysis was appropriate to examine the survey responses of 350 voluntary participants, the final sample of 344 respondents was used for data analysis after eliminating incomplete responses and respondents who exhibited extreme and consistent rating patterns. The results of the descriptive analysis are presented in Table 1. The sample was comprised of 43% males and 57% females. Although most of the respondents' ages were under 50 years old (51%); the largest group was 50 to 59 years old (23%); and the smallest group was over 70 years old (6%). The majority of participants were Caucasian (77%), followed by African Americans (10%), and Asian American (8%). The sample consisted of a variety of educational backgrounds, ranging from some high school (2%) to doctoral degree (7%). Most of the participants' highest education levels were associate or bachelor's degree (45%), with 17% of the participants achieving their masters' degree as the highest education. Table 2 shows the demographic distribution of the respondents. The survey sample was expected to be representative of the distribution in the United States.

4.2 Reliability and Validity Tests

Table 3 shows that all of the alpha coefficients for the data exceeded the minimum standard of reliability (Cronbach's $\alpha = 0.70$) recommended by Nunnally (1978) for basic research. This indicates the reliability of the measures. Following Anderson and Gerbing's (1988) two-step approach, a measurement model was estimated prior to the structural model. Results of the confirmatory factor analysis on the key constructs were good ($\chi^2_{207} = 407.90$, $p < 0.00$; GFI=0.91; NFI=0.93; CFI=0.96; RFI=0.91; IFI=0.96; TLI=0.95; RMR=0.07; RMSEA=0.05) and all of the indicator loadings were significant ($p < 0.01$). As shown in Table 3, the average variances

extracted were all above 0.50, indicating convergent validity. Discriminant validity exists when the proportion of variance extracted in each construct (AVE; $\rho_{vc(\eta)}$) exceeds the square of the coefficient representing its correlation with other constructs (Fornell & Larcker, 1981). The results of confirmatory factor analysis along with mean, standard deviation, and the construct correlations between each of the constructs are presented in Table 3 and Table 4.

4.3 Testing of Hypotheses

A structural equation model was adopted to test the hypotheses proposed. Compared with the recommended criteria, the fit indices of the research model showed goodness-of-fit: $\chi^2_{2215} = 445.92$, $p < 0.00$; GFI=0.90; NFI=0.92; CFI=0.96; IFI=0.96; TLI=0.95; RMR=0.09; RMSEA=0.06 (See Table 5). With regard to RMSEA, the fit index was 0.06, which was below the recommended cut-off level of 0.08 (Hair, Tatham, Anderson, & Black, 2006). With these multiple fit indices, which indicate a reasonable fit for this model, the results indicated that the data fit the model fairly well. Figure 2 shows the results of testing of the proposed model. The results of path coefficients supported all the hypotheses except for H4, H5, H6, & H9.

H1, which proposed a causal relationship between word-of-mouth and social influence within the social variables, was strongly supported (H1: $\beta = 0.23$, $t = 4.18$, $p < 0.001$). H2 and H3 proposed relationships between word-of-mouth, one of the sub-dimension of social variables, and health consciousness and price consciousness were supported (H2: $\beta = 0.21$, $t = 3.67$, $p < 0.001$; H3: $\beta = 0.11$, $t = 2.20$, $p < 0.05$). H4 and H5 which proposed relationships between social influence, another sub-dimension of social variables, and health consciousness and price consciousness were not supported (H4: $\beta = 0.10$, $t = 1.64$; H5: $\beta = 0.09$, $t = 1.59$). Only word-of-mouth which related to the two types of consumers' consciousness, health consciousness and price consciousness, was supported. Health consciousness toward consumer trust (H6) was not

supported (H6: $\beta=-0.07$, $t= -1.78$). H7, regarding the effect of price consciousness on consumer trust, was supported (H7: $\beta=-0.11$, $t=-2.54$ $p<0.01$); Consumer trust toward consumer satisfaction (H8) was supported (H8: $\beta=-0.15$, $t=-3.19$ $p<0.01$). However H9, regarding the relationship between consumer satisfaction towards consumer loyalty, was not supported (H9: $\beta=-0.07$, $t=-0.96$). Finally, H10, which hypothesized a relationship between consumer trust and consumer loyalty, was strongly supported (H10: $\beta=1.09$, $t= 14.37$, $p<0.001$).

Table 6 shows the result of the structural equation modeling (SEM) analysis of this research model tested by AMOS software.

Chapter 5 Discussion and Conclusion

This study examined the effects of social variables on consumer satisfaction and loyalty towards Chinese consumer electronics mediated by consumers' consciousness. More precisely, two social variables, word-of-mouth and social influence; and two consumers' consciousness variables, health consciousness and price consciousness, were examined in terms of their relations with consumer trust, consumer satisfaction, and consumer loyalty in respondents' experiences regarding Chinese consumer electronics. The literature review on consumer loyalty creation indicated a lack of research that explored the function of social variables on loyalty creation, especially focusing on Chinese consumer electronics as the target product category. An online survey within the U.S. was conducted to examine the role of social variables on consumers' loyalty regarding Chinese consumer electronics. Descriptive statistics were used to examine general consumer characteristics. Structural equation modeling was performed to test the relations among the proposed model and hypotheses.

This chapter provides a discussion and conclusion of the research. Results of this study are described and discussed, followed by interpretations of hypotheses. Theoretical and managerial implications are offered, and research limitations and directions for future research are provided.

5.1 Discussion

This study provided researchers with several important additions to the information on social variables, consumers' consciousness, and the consumer trust-satisfaction-loyalty link. Overall, it is impressive that findings of the current study indicated that Chinese consumer electronics have become an important part of the U.S. market. Secondly, with support for six of the ten hypotheses, the results suggested a better fitting model for consumer behavior field research and expanded previous research to the managerial level. This study also provided a

foundation for researchers to deepen understanding of the relations between social variables and consumers' consciousness while building consumer loyalty for Chinese consumer electronics.

Surprisingly, word-of-mouth is a main influential factor affecting both health consciousness and price consciousness consumers, rather than social influence for Chinese consumer electronics, although word-of-mouth has positive effects on social influence.

Consistent with the literature review, price conscious consumers had significant negative trust of Chinese consumer electronics, which is to say, the greater the price consciousness, the lower the trust was for the product. Based on the results, the author suggests that for Chinese consumer electronics, consumer trust positively influences consumer loyalty, but negatively influences consumer satisfaction. Consumers with more trust of consumer electronics made in China or assembled in China will have higher loyalty, but lower satisfaction. This is consistent with previous research on other product categories; higher trust comes with high expectation which results in satisfaction levels that are increasingly harder to meet. However, contrary to expectations, the effect of consumer satisfaction on consumer loyalty was not significant, which is to say that regardless of whether the consumer is satisfied or not with the purchased product, their loyalty for Chinese consumer electronics wasn't influenced. One of the possible explanations of the lack of significance in relations between consumer satisfaction and consumer loyalty could be inferred from the role of price consciousness within the model. The result shows that consumers who prefer to choose Chinese consumer electronics are mainly those with high price consciousness. According to the literature review, a high price conscious consumer's purchase intention and purchase behavior can be easily influenced by the price discount level (Alford & Biswas, 2002). All in all, the results confirmed the impact of word-of-mouth on the

creation of consumer loyalty regarding Chinese consumer electronics which is mediated by consumer price consciousness.

5.2 Theoretical and Managerial Implications

The current research examined the influence of social variables on consumer loyalty mediated by consumers' consciousness regarding Chinese consumer electronics. Three theoretical implications were drawn from the results of this study. First, this study confirmed word-of-mouth as one of the social variables that can contribute to consumer loyalty creation regarding Chinese consumer electronics. Second, the present work extended previous research by utilizing two types of consumers' consciousness, health consciousness and price consciousness, as mediators between social variables and the consumer trust-satisfaction-loyalty link. The negative influence of price consciousness on consumer trust was explored as a significant theoretical implication especially focusing on the product category of Chinese consumer electronics. Lastly, understanding of the trust-satisfaction-loyalty link was revised by this study: when consumers have high price consciousness, their satisfaction regarding Chinese consumer electronics will have no influence on their loyalty to the product. In other words, consumers with high price consciousness will not make repurchase decisions for the same Chinese consumer electronics or brand based on their satisfaction of the previous purchased product or the purchased product usage experience. On the other hand, consumers with either high or low health consciousness will show no influence on their trust, satisfaction, and loyalty for Chinese consumer electronics. Through a theoretical and empirical investigation, overall, this study helped reveal the differential effect of consumer consciousness based on a theoretical framework and helped define the role of social variables in creating consumer loyalty regarding

Chinese consumer electronics. This may lead to a better and wider understanding of consumer loyalty in different product categories.

From a managerial perspective, findings from the current investigation yielded two significant insights for marketing strategy. First, marketers should consider the cost of public advertising when trying to promote consumer electronics made in China or assembled in China and instead, companies should attach great importance to customer reviews, personal postings on customers' social network sites (SNS), and any other word-of-mouth communication. On the other hand, retailers should create advantage by product price, because a good price or discount will be the best way to attract and maintain customers for repurchase behavior of Chinese consumer electronics. Even though, there is no discount on the product, free shipping, cash back, or any other methods to provide consumer benefits should be considered. In summary, marketers need to consider the influence of word-of-mouth for Chinese consumer electronics promotion and adapt their advertising strategies to build higher consumer trust and loyalty. Additionally, retailers need to consider price related strategies to attract customers.

5.3 Limitations and Directions for Future Research

As with all research, this study has several limitations that should be considered when examining the results. First, this study used sampling that targeted consumers of all ages. However, consumers in different age groups may have different perspectives on Chinese consumer electronics purchases. It is suggested that future research should explore the influence of social variables on consumer loyalty creation within a specified age group. Secondly, this study used a sample that may not realistically reflect the perceptions of the population with different income levels. High price conscious consumers may have different purchase behaviors and make different purchase decisions when their income levels change. Future research should

develop the current analysis into a comparative study which tests the differences between income level groups to see if income level determines the relations between variables within the current model. Since the literature review has acknowledged that over half of the world's consumer electronics are made in China or assembled in China, such as, Apple, Samsung, etc., further studies regarding Chinese consumer electronics could be conducted in other regional markets to explore regional variations, rather than only within the United States.

Reference

- Ahmed, I., Nawaz, M. M., Iqbal, N., Ali, I., Shaukat, Z., & Usman, A. (2010). Effects of motivational factors on employees' job satisfaction a case study of University of the Punjab, Pakistan. *International Journal of Business and Management*, 5(3), 70-80.
- Akbar, M. M., & Parvez, N. (2009). Impact of service quality, trust, and customer satisfaction on customers loyalty. *ABAC Journal*, 29(1), 24-38.
- Alford, B. L., & Biswas, A. (2002). The effects of discount level, price consciousness and sale proneness on consumers' price perception and behavioral intention. *Journal of Business research*, 55(9), 775-783.
- Alhabeeb, M. J. (2007). On consumer trust and product loyalty. *International Journal of Consumer Studies*, 31(6), 609-612.
- Amazon.com. (2014). Mechanical Turk, Retrieved from <http://www.mturk.com/>.
- Anderson, E. W. (1998). Customer satisfaction and word-of-mouth. *Journal of Service Research*, 1(1), 5-17.
- Anderson, E. W. (2003). The formation of market-level expectations and its covariates. *Journal of Consumer Research*, 30(1), 115-124.
- Anderson, J. C., & Gerbing, D. W. (1988). Structural equation modeling in practice: A review and recommended two-step approach. *Psychological Bulletin*, 103(3), 411.
- Aral, S., & Walker, D. (2011). Creating social contagion through viral product design: A randomized trial of peer influence in networks. *Management Science*, 57(9), 1623-1639.
- Arico, A., Fiala, B., Goldberg, R. F., & Nichols, S. (2011). The Folk Psychology of Consciousness. *Mind & Language*, 26(3), 327-352.

THE ROLE OF SOCIAL VARIABLES IN CONSUMER LOYALTY REGARDING CHINESE

- Arndt, J. (1967). Role of product-related conversations in the diffusion of a new product. *Journal of Marketing Research*, 4(3), 291-295.
- Aslam, S., Jadoon, E., Zaman, K., & Gondal, S. (2012). Effect of word-of-mouth on consumer buying behavior. *Mediterranean Journal of Social Science*, 2(3), 497-507.
- Babin, B. J., Lee, Y. K., Kim, E. J., & Griffin, M. (2005). Modeling consumer satisfaction and word-of-mouth: restaurant patronage in Korea. *Journal of Services Marketing*, 19(3), 133-139.
- Bakewell, C., Mitchell, V. W., & Rothwell, M. (2006). UK Generation Y male fashion consciousness. *Journal of Fashion Marketing and Management: An International Journal*, 10(2), 169-180.
- Bakshy, E., Eckles, D., Yan, R., & Rosenn, I. (2012, June). *Social influence in social advertising: Evidence from field experiments*. Paper presented at the 13th ACM Conference on Electronics Commerce, Spain, (pp. 146-161). New York, ACM.
- Bansal, H. S., & Voyer, P. A. (2000). Word-of-mouth processes within a services purchase decision context. *Journal of Service Research*, 3(2), 166-177.
- Bargh, J. A. (2002). Losing consciousness: Automatic influences on consumer judgment, behavior, and motivation. *Journal of Consumer Research*, 29(2), 280-285.
- Basulto, D. (2013, January 25). Apple: Designed in California, made in China. *The Washington Post*. Retrieved from: http://www.washingtonpost.com/blogs/innovations/post/apple-designed-in-california-made-in-china/2013/01/25/7f5318c4-66fb-11e2-85f5-a8a9228e55e7_blog.html.
- Bearden, W. O., Netemeyer, R. G., & Teel, J. E. (1989). Measurement of consumer susceptibility to interpersonal influence. *Journal of Consumer Research*, 15(4), 473-481.

THE ROLE OF SOCIAL VARIABLES IN CONSUMER LOYALTY REGARDING CHINESE

- Belanche, D., Casaló, L. V., & Guinalíu, M. (2012). Website usability, consumer satisfaction and the intention to use a website: The moderating effect of perceived risk. *Journal of Retailing and Consumer Services*, 19(1), 124-132.
- Berle, A. A. (1931). Corporate powers as powers in trust. *Harvard Law Review*, 44(7), 1049-1074.
- Bettman, J. R., Johnson, E. J., & Payne, J. W. (1991). Consumer decision making. *Handbook of Consumer Behavior*, 44(2), 50-84.
- Bitner, M. J. (1990). Evaluating service encounters: The effects of physical surroundings and employee responses. *Journal of Marketing*, 54(2), 69-82.
- Bolton, R. N. (1998). A dynamic model of the duration of the customer's relationship with a continuous service provider: *The role of satisfaction*. *Marketing Science*, 17(1), 45-65.
- Bone, P. F. (1995). Word-of-mouth effects on short-term and long-term product judgments. *Journal of Business Research*, 32(3), 213-223.
- Brooks, R. C. (1957). "Word-of-Mouth" advertising in selling new products. *Journal of Marketing*, 22(2), 154-161.
- Brown, J. J., & Reingen, P. H. (1987). Social ties and word-of-mouth referral behavior. *Journal of Consumer Research*, 14(3), 350-362.
- Buhrmester, M., Kwang, T., & Gosling, S. D. (2011). Amazon's Mechanical Turk a new source of inexpensive, yet high-quality, data?. *Perspectives on Psychological Science*, 6(1), 3-5.
- Canals, C. (2014, June 5). China, at the heart of "Factory Asia". "La Caixa" Research. Retrieved from http://www.lacaixaresearch.com/en/web/guest/detail-news?lastnewsportal_articleData=413233,10180,1.9
- Chafe, W. L. (1974). Language and consciousness. *Language*, 50(1), 111-133.

- Chang, S. C. (1978). The psychology of consciousness. *American Journal of Psychotherapy*, 32(1), 105-116.
- Cheung, C. M., & Thadani, D. R. (2012). The impact of electronics word-of-mouth communication: A literature analysis and integrative model. *Decision Support Systems*, 54(1), 461-470.
- Chevalier, J. A., & Mayzlin, D. (2006). The effect of word of mouth on sales: Online book reviews. *Journal of Marketing Research*, 43(3), 345-354.
- Chu, S. C., & Kim, Y. (2011). Determinants of consumer engagement in electronics word-of-mouth (eWOM) in social networking sites. *International Journal of Advertising*, 30(1), 47-75.
- Corstjens, M., & Merrihue, J. (2003). Optimal marketing. *Harvard Business Review*, 81(10), 114-122.
- Cronin Jr, J. J., & Taylor, S. A. (1992). Measuring service quality: A reexamination and extension. *Journal of Marketing*, 56(3), 55-68.
- De Bruyn, A., & Lilien, G. L. (2008). A multi-stage model of word-of-mouth influence through viral marketing. *International Journal of Research in Marketing*, 25(3), 151-163.
- Delgado-Ballester, E., Munuera-Aleman, J. L., & Yague-Guillen, M. J. (2003). Development and validation of a brand trust scale. *International Journal of Market Research*, 45(1), 35-54.
- Deng, Z., Lu, Y., Wei, K. K., & Zhang, J. (2010). Understanding customer satisfaction and loyalty: An empirical study of mobile instant messages in China. *International Journal of Information Management*, 30(4), 289-300.
- Dichter, E. (1966). How word-of-mouth advertising works. *Harvard Business Review*, 44(6), 147-160.

THE ROLE OF SOCIAL VARIABLES IN CONSUMER LOYALTY REGARDING CHINESE

- Donio, J., Massari, P., & Passiante, G. (2006). Customer satisfaction and loyalty in a digital environment: An empirical test. *Journal of Consumer Marketing*, 23(7), 445-457.
- Dutta, S., & Biswas, A. (2005). Effects of low price guarantees on consumer post-purchase search intention: The moderating roles of value consciousness and penalty level. *Journal of Retailing*, 81(4), 283-291.
- Engel, J. F., Kegerreis, R. J., & Blackwell, R. D. (1969). Word-of-mouth communication by the innovator. *Journal of Marketing*, 33(3), 15-19.
- Friedman, M. P. (1967). Quality and price considerations in rational consumer decision making. *Journal of Consumer Affairs*, 1(1), 13-23.
- Feldman, S. P., & Spencer, M. C. (1965). *The Effect of Personal Influence on the Selection of Consumer Services*. (pp. 440-452). Chicago: American Marketing Association.
- Fornell, C. (1992). A national customer satisfaction barometer: The Swedish experience. *Journal of Marketing*, 56(1), 6-21.
- Fornell, C., & Bookstein, F. L. (1982). Two structural equation models: LISREL and PLS applied to consumer exit-voice theory. *Journal of Marketing Research*, 19(4), 440-452.
- Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 39-50.
- Gauzente, C., & Roy, Y. (2012). Message content in keyword campaigns, click behavior, and price-consciousness: A study of millennial consumers. *Journal of Retailing and Consumer Services*, 19(1), 78-87.
- Ghazali, Z. (2010). The influence of socialization agents and demographic profiles on brand consciousness. *International Journal of Management and Marketing Research*, 4(1), 19-29.

- Gilly, M. C., Graham, J. L., Wolfinbarger, M. F., & Yale, L. J. (1998). A dyadic study of interpersonal information search. *Journal of the Academy of Marketing Science*, 26(2), 83-100.
- Giovannini, S., Xu, Y., & Thomas, J. (2015). Luxury fashion consumption and Generation Y consumers: Self, brand consciousness, and consumption motivations. *Journal of Fashion Marketing and Management*, 19(1), 22-40.
- Goldenberg, J., Libai, B., & Muller, E. (2001). Talk of the network: A complex systems look at the underlying process of word-of-mouth. *Marketing Letters*, 12(3), 211-223.
- Goldsmith, R. E., & Horowitz, D. (2006). Measuring motivations for online opinion seeking. *Journal of Interactive Advertising*, 6(2), 2-14.
- Grewal, R., Cline, T. W., & Davies, A. (2003). Early-entrant advantage, word-of-mouth communication, brand similarity, and the consumer decision-making process. *Journal of Consumer Psychology*, 13(3), 187-197.
- Gu, B., Park, J., & Konana, P. (2012). Research note-the impact of external word-of-mouth sources on retailer sales of high-involvement products. *Information Systems Research*, 23(1), 182-196.
- Gwinner, K. P., Gremler, D. D., & Bitner, M. J. (1998). Relational benefits in services industries: The customer's perspective. *Journal of the Academy of Marketing Science*, 26(2), 101-114.
- Hair, J. F., Black, W. C., Babin, B. J., Anderson, R. E., & Tatham, R. L. (2006). *Multivariate Data Analysis* (Vol. 6). Upper Saddle River, NJ: Pearson Prentice Hall.

- Hellier, P. K., Geursen, G. M., Carr, R. A., & Rickard, J. A. (2003). Customer repurchase intention: A general structural equation model. *European Journal of Marketing*, 37(11/12), 1762-1800.
- Hennig-Thurau, T., Gwinner, K. P., Walsh, G., & Gremler, D. D. (2004). Electronic word-of-mouth via consumer-opinion platforms: What motivates consumers to articulate themselves on the internet?. *Journal of interactive marketing*, 18(1), 38-52.
- Homburg, C., & Stock, R. M. (2005). Exploring the conditions under which salesperson work satisfaction can lead to customer satisfaction. *Psychology and Marketing*, 22(5), 393-420.
- Hoyer, W. D. (1984). An examination of consumer decision making for a common repeat purchase product. *Journal of Consumer Research*, 11(3), 822-829.
- Ipeirotis, P. G., Provost, F., & Wang, J. (2010, July). Quality management on amazon mechanical turk. In *Proceedings of the ACM SIGKDD workshop on human computation* (pp. 64-67). ACM.
- Jacoby, J., & Kyner, D. B. (1973). Brand loyalty vs. repeat purchasing behavior. *Journal of Marketing Research*, 10(1), 1-9.
- Jayanti, R. K., & Burns, A. C. (1998). The antecedents of preventive health care behavior: An empirical study. *Journal of the Academy of Marketing Science*, 26(1), 6-15.
- Jin, B., & Park, J. Y. (2006). The moderating effect of online purchase experience on the evaluation of online store attributes and the subsequent impact on market response outcomes. *Advances in Consumer Research*, 33(1), 203-211.
- Jin, B., Park, J. Y., & Kim, J. (2008). Cross-cultural examination of the relationships among firm reputation, e-satisfaction, e-trust, and e-loyalty. *International Marketing Review*, 25(3), 324-337.

THE ROLE OF SOCIAL VARIABLES IN CONSUMER LOYALTY REGARDING CHINESE

- Johnson, M. D., & Fornell, C. (1991). A framework for comparing customer satisfaction across individuals and product categories. *Journal of Economic Psychology*, 12(2), 267-286.
- Katz, E., & Lazarsfeld, P. F. (1955). *Personal Influence, The part played by people in the flow of mass communications*. New York, NY: Transaction Publishers.
- Kaynak, E., & Cavusgil, S. T. (1983). Consumer attitudes towards products of foreign origin: do they vary across product classes?. *International Journal of Advertising*, 2(2), 147-157.
- Kim, D. J., Ferrin, D. L., & Rao, H. R. (2008). A trust-based consumer decision-making model in electronic commerce: The role of trust, perceived risk, and their antecedents. *Decision Support Systems*, 44(2), 544-564.
- Kim, H. Y., & Chung, J. E. (2011). Consumer purchase intention for organic personal care products. *Journal of Consumer Marketing*, 28(1), 40-47.
- Kleijnen, M., De Ruyter, K., & Wetzels, M. (2007). An assessment of value creation in mobile service delivery and the moderating role of time consciousness. *Journal of Retailing*, 83(1), 33-46.
- Kline, R. B. (2011). Principles and practice of structural equation modeling. Guilford Press.
- Kotler, P. (2000): *Marketing Management. The Millenium edition*. New Jersey, NJ: Prentice Hall.
- Kotler, P., & Armstrong, G. (1996). *Mercadotecnia. Edit.* Mexico: Prentice Hall.
- Kraft, F. B., & Goodell, P. W. (1993). Identifying the health conscious consumer. *Marketing Health Services*, 13(3), 18.
- Kukar-Kinney, M., Ridgway, N. M., & Monroe, K. B. (2012). The role of price in the behavior and purchase decisions of compulsive buyers. *Journal of Retailing*, 88(1), 63-71.

THE ROLE OF SOCIAL VARIABLES IN CONSUMER LOYALTY REGARDING CHINESE

- Kukar-Kinney, M., Walters, R. G., & MacKenzie, S. B. (2007). Consumer responses to characteristics of price-matching guarantees: The moderating role of price consciousness. *Journal of Retailing*, 83(2), 211-221.
- Kuppelwieser, V. G., & Sarstedt, M. (2014). Applying the future time perspective scale to advertising research. *International Journal of Advertising*, 33(1), 113-136.
- Lagace, R. R. (1991). An exploratory study of reciprocal trust between sales managers and salespersons. *Journal of Personal Selling & Sales Management*, 11(2), 49-58.
- Lee, J., & Gereffi, G. (2013). The co-evolution of concentration in mobile phone global value chains and its impact on social upgrading in developing countries. *Capturing the Gains*, (25).
- Lee, J., Gereffi, G., & Nathan, D. (2013). Mobile Phones: Who Benefits in Shifting Global Value Chains?. *Capturing the Gains, Revised Summit Briefing*, (6.1).
- Lee, J., Lee, J., & Feick, L. (2001). The impact of switching costs on the customer satisfaction-loyalty link: Mobile phone service in France. *Journal of Services Marketing*, 15(1), 35-48.
- Lei, P. W., & Wu, Q. (2007). Introduction to structural equation modeling: Issues and practical considerations. *Educational Measurement: Issues and Practice*, 26(3), 33-43.
- Lew, S., & Sulaiman, Z. (2014). Consumer purchase intention toward products made in Malaysia vs. made in China: A conceptual paper. *Procedia-Social and Behavioral Sciences*, 130, 37-45.
- Lichtenstein, D. R., Bloch, P. H., & Black, W. C. (1988). Correlates of price acceptability. *Journal of Consumer Research*, 15(2), 243-252.

- Lichtenstein, D. R., Netemeyer, R. G., & Burton, S. (1990). Distinguishing coupon proneness from value consciousness: An acquisition-transaction utility theory perspective. *Journal of Marketing*, 54(3), 54-67.
- Lichtenstein, D. R., Ridgway, N. M., & Netemeyer, R. G. (1993). Price perceptions and consumer shopping behavior: A field study. *Journal of Marketing Research*, 30(2), 234-245.
- Litvin, S. W., Goldsmith, R. E., & Pan, B. (2008). Electronics word-of-mouth in hospitality and tourism management. *Tourism Management*, 29(3), 458-468.
- Liu, Y. (2006). Word-of-mouth for movies: Its dynamics and impact on box office revenue. *Journal of Marketing*, 70(3), 74-89.
- Loebnitz, N., & Bröring, S. (2015). Consumer acceptance of new food technologies for Different product categories: The relative importance of experience versus credence attributes. *Journal of International Consumer Marketing*, 27(4), 307-317.
- Mack, E (2012, March 7). Are any smartphones not made in China?. *CNET*. Retrieved from <http://www.cnet.com/news/are-any-smartphones-not-made-in-china/>.
- Mai, R., & Hoffmann, S. (2015). How to combat the unhealthy= tasty intuition: The influencing role of health consciousness. *Journal of Public Policy & Marketing*, 34(1), 63-83.
- Marinho, H. (1942). Social influence in the formation of enduring preferences. *The Journal of Abnormal and Social Psychology*, 37(4), 448-468.
- Mason, W., & Suri, S. (2012). Conducting behavioral research on Amazon's Mechanical Turk. *Behavior Research Methods*, 44(1), 1-23.

- Matzler, K., & Renzl, B. (2006). The relationship between interpersonal trust, employee satisfaction, and employee loyalty. *Total Quality Management and Business Excellence*, 17(10), 1261-1271.
- McKnight, D. H., & Chervany, N. L. (2001). Trust and distrust definitions: One bite at a time. *The Workshop on Deception, Fraud, and Trust in Agent Societies* (pp. 27-54). London: Springer-Verlag.
- McKnight, D. H., & Chervany, N. L. (2006). Reflections on an initial trust-building model. In A. Z. Reinhard Bachmann (Ed.), *Handbook of Trust Research* (pp. 29-51). Northampton, MA: Edward Elgar Publishing, Inc.
- Moorman, C., Deshpande, R., & Zaltman, G. (1993). Factors affecting trust in market research relationships. *Journal of Marketing*, 57(1), 81-101.
- Moran, G., Muzellec, L., & Nolan, E. (2014). Consumer moments of truth in the digital context: How "Search" and "E-Word-of-mouth" can fuel consumer decision-making. *Journal of Advertising Research*, 54(2), 200-204.
- Morgan, R. M., & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing. *Journal of Marketing*, 58(3), 20-38.
- Muthén, B. (1984). A general structural equation model with dichotomous, ordered categorical, and continuous latent variable indicators. *Psychometrika*, 49(1), 115-132.
- Nunnally, J. (1978). *Psychometric Methods*. New York, NY: McGraw-Hill.
- Nuttin, J. (1955). Consciousness, behavior, and personality. *Psychological Review*, 62(5), 349-355.
- Oliver, R. L. (1980). A cognitive model of the antecedents and consequences of satisfaction decisions. *Journal of Marketing Research*, 17(4), 460-469.

THE ROLE OF SOCIAL VARIABLES IN CONSUMER LOYALTY REGARDING CHINESE

Oliver, R.L. (1997). *Satisfaction: A Behavioral Perspective on the Consumer*. New York, NY: McGraw-Hill.

Paul, J., & Rana, J. (2012). Consumer behavior and purchase intention for organic food. *Journal of Consumer Marketing*, 29(6), 412-422.

Petroshius, S. M., & Monroe, K. B. (1987). Effect of product-line pricing characteristics on product evaluations. *Journal of Consumer Research*, 13(4), 511-519.

Pillai, K. G., & Kumar, V. (2012). Differential effects of value consciousness and coupon proneness on consumers' persuasion knowledge of pricing tactics. *Journal of Retailing*, 88(1), 20-33.

Prasad, A., Strijnev, A., & Zhang, Q. (2008). What can grocery basket data tell us about health consciousness?. *International Journal of Research in Marketing*, 25(4), 301-309.

Price, L. L., & Feick, L. F. (1984). The role of interpersonal sources in external search: An informational perspective. *Advances in Consumer Research*, 11(1), 250-255.

Rao, A. R., & Ruekert, R. W. (1994). Brand alliances as signals of product quality. *MIT Sloan Management Review*, 36(1), 87.

Raven, B. H. (1965). Social influence and power. *Current Studies in Social Psychology*, I. D. Steiner, & M. Fishbein (Ed.). New York, NY: Holt, California University Los Angeles.

Reichheld, F. F., & Schefter, P. (2000). E-loyalty. *Harvard Business Review*, 78(4), 105-113.

Richins, M. L. (1983). Negative word-of-mouth by dissatisfied consumers: A pilot study. *Journal of Marketing*, 47(1), 68-78.

Risselada, H., Verhoef, P. C., & Bijmolt, T. H. (2014). Dynamic effects of social influence and direct marketing on the adoption of high-technology products. *Journal of Marketing*, 78(2), 52-68.

THE ROLE OF SOCIAL VARIABLES IN CONSUMER LOYALTY REGARDING CHINESE

- Rogers, E. M. (1995). *Diffusion of Innovations: Modifications of a model for telecommunications*. Berlin: Springer.
- Rousseau, D. M., Sitkin, S. B., Burt, R. S., & Camerer, C. (1998). Not so different after all: A cross-discipline view of trust. *Academy of Management Review*, 23(3), 393-404.
- Schlegelmilch, B. B., Bohlen, G. M., & Diamantopoulos, A. (1996). The link between green purchasing decisions and measures of environmental consciousness. *European Journal of Marketing*, 30(5), 35-55.
- Schniederjans, M., Cao, Q., & Olson, J. (2004). Consumer perceptions of product quality: Made in China. *Quality Management Journal*, 11(3), 8-19.
- Shiv, B., & Fedorikhin, A. (1999). Heart and mind in conflict: The interplay of affect and cognition in consumer decision making. *Journal of Consumer Research*, 26(3), 278-292.
- Sirdeshmukh, D., Singh, J., & Sabol, B. (2002). Consumer trust, value, and loyalty in relational exchanges. *Journal of Marketing*, 66(1), 15-37.
- Silvera, D. H., Lavack, A. M., & Kropp, F. (2008). Impulse buying: The role of affect, social influence, and subjective wellbeing. *Journal of Consumer Marketing*, 25(1), 23-33.
- Singh, J., & Sirdeshmukh, D. (2000). Agency and trust mechanisms in consumer satisfaction and loyalty judgments. *Journal of the Academy of Marketing Science*, 28(1), 150-167.
- Sinha, I., & Batra, R. (1999). The effect of consumer price consciousness on private label purchase. *International Journal of Research in Marketing*, 16(3), 237-251.
- Sprotles, G. B., & Kendall, E. L. (1986). A methodology for profiling consumers' decision - making styles. *Journal of Consumer Affairs*, 20(2), 267-279.

THE ROLE OF SOCIAL VARIABLES IN CONSUMER LOYALTY REGARDING CHINESE

- Stephen Parker, R., Hermans, C. M., & Schaefer, A. D. (2004). Fashion consciousness of Chinese, Japanese and American teenagers. *Journal of Fashion Marketing and Management: An International Journal*, 8(2), 176-186.
- Tai, S. H. (2005). Shopping styles of working Chinese females. *Journal of Retailing and Consumer Services*, 12(3), 191-203.
- Tenenhaus, M., Vinzi, V. E., Chatelin, Y. M., & Lauro, C. (2005). PLS path modeling. *Computational Statistics & Data Analysis*, 48(1), 159-205.
- The Economist. (2015, May 14). Global manufacturing: Made in China?. *The Economist*. Retrieved from <http://www.economist.com/news/leaders/21646204-asias-dominance-manufacturing-will-endure-will-make-development-harder-others-made>
- Tschannen-Moran, M. (2014). *Trust matters: Leadership for successful schools*. San Francisco, CA: Jossey-Bass.
- Turner, J. C. (1991). *Social influence*. California: Thomson Brooks/Cole Publishing Co.
- Uncles, M. D., Dowling, G. R., & Hammond, K. (2003). Customer loyalty and customer loyalty programs. *Journal of Consumer Marketing*, 20(4), 294-316.
- Van den Bulte, C., & Stremersch, S. (2004). Social contagion and income heterogeneity in new product diffusion: A meta-analytic test. *Marketing Science*, 23(4), 530-544.
- Vermeulen, Y. (2015, July 23). The future of “Factory Asia”: The smart manufacturing money is on ASEAN. *Odgers Berndtson*. Retrieved from <http://www.odgersberndtson.com/en/knowledge-insight-news/article/the-future-of-factory-asia-the-smart-manufacturing-money-is-on-asean-8904/>
- Wallin Andreassen, T., & Lindestad, B. (1998). Customer loyalty and complex services: The impact of corporate image on quality, customer satisfaction and loyalty for customers

- with varying degrees of service expertise. *International Journal of Service Industry Management*, 9(1), 7-23.
- Walsh, G., & Beatty, S. E. (2007). Customer-based corporate reputation of a service firm: Scale development and validation. *Journal of the Academy of Marketing Science*, 35(1), 127-143.
- Walsh, G., Evanschitzky, H., & Wunderlich, M. (2008). Identification and analysis of moderator variables: investigating the customer satisfaction-loyalty link. *European Journal of Marketing*, 42(9/10), 977-1004.
- Westbrook, R. A. (1981). Sources of consumer satisfaction with retail outlets. *Journal of Retailing*, 57(3), 68-85.
- Whyte Jr, W. H. (1954). The web of word-of-mouth. *Fortune*, 50(5), 140-143.
- Wilber, K. (2000). *Integral psychology: Consciousness, spirit, psychology, therapy*. Boston, MA: Shambhala Publications.
- Wolfe, H. D. (1942). Techniques of appraising brand preference and brand consciousness by consumer interviewing. *Journal of Marketing*, 6(4), 81-87.
- Wood, W., & Hayes, T. (2012). Social Influence on consumer decisions: Motives, modes, and consequences. *Journal of Consumer Psychology*, 22(3), 324-328.
- Ye, Q., Law, R., Gu, B., & Chen, W. (2011). The influence of user-generated content on traveler behavior: An empirical investigation on the effects of e-word-of-mouth to hotel online bookings. *Computers in Human Behavior*, 27(2), 634-639.

Appendix

Figure 1.

Conceptual Model of the Role of Social Variables on Consumer Loyalty.

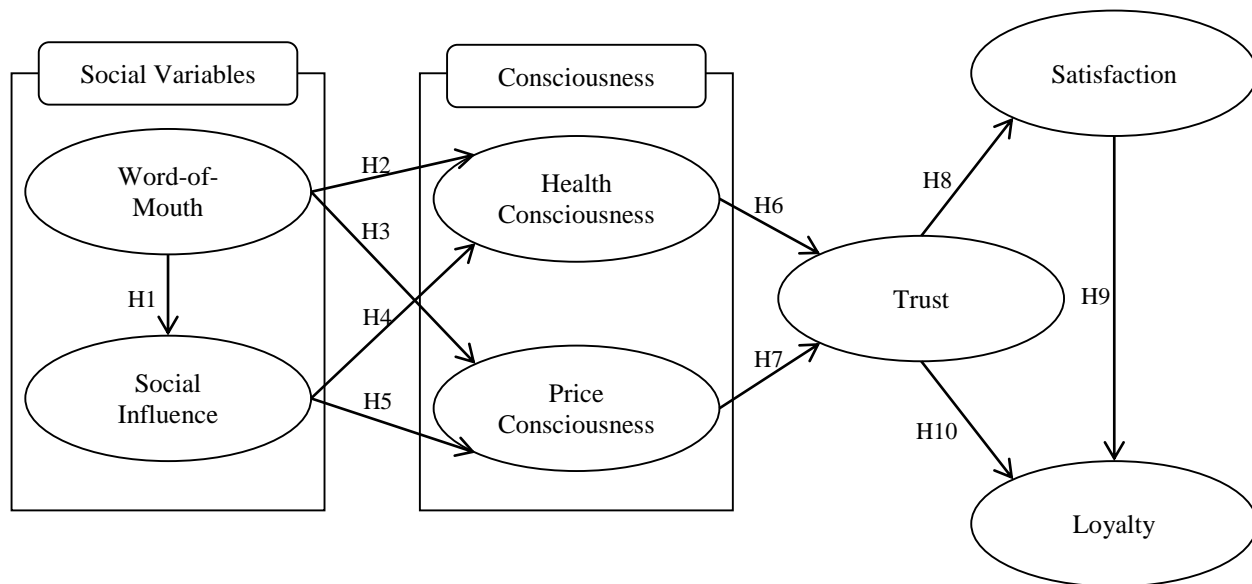


Figure 2.

Results of the Testing of Proposed Model

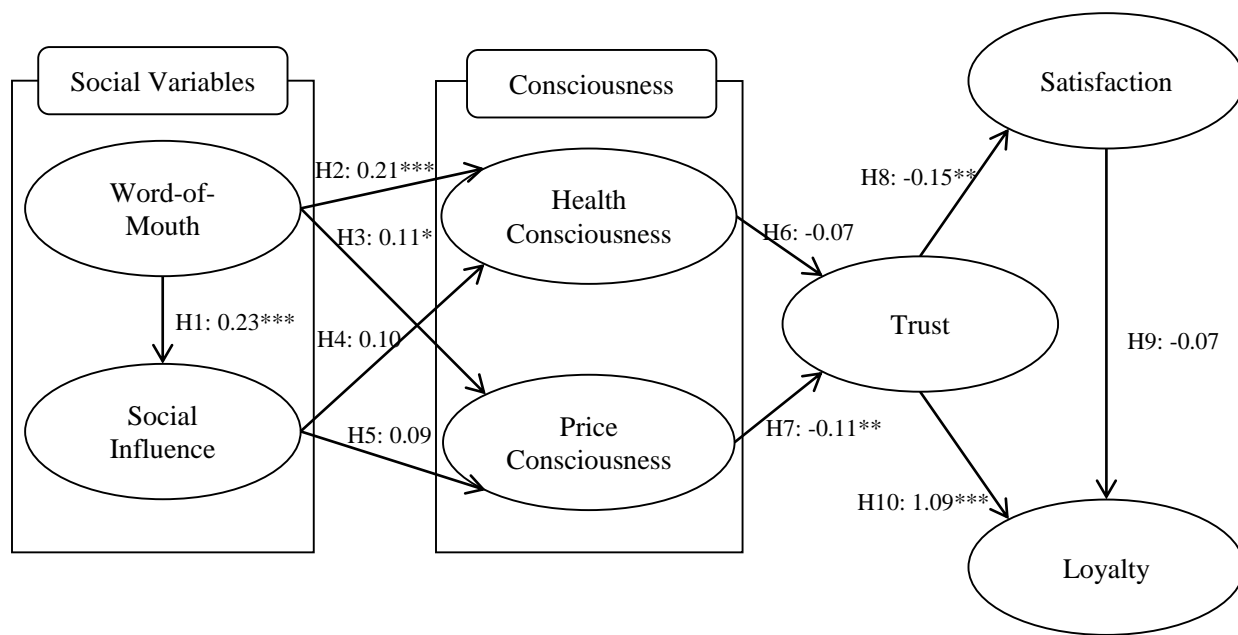


Table 1.

Variable Measurements

Construct	Measurement Items	Source
Word-of-mouth	<ol style="list-style-type: none"> 1. I'm likely to post status/photos/comments about the Chinese consumer electronics I possess in my social network. 2. I would recommend the Chinese consumer electronics to my friends and relatives. 3. If my friends were looking for new products, I would tell them to try the Chinese consumer electronics I have used. 	Walsh & Beatty, 2007.
Social Influence	<ol style="list-style-type: none"> 1. To make sure I buy the right product or brand, I often observe what others are buying and using. 2. If I have little experience with a product, I often ask my friends about the product. 3. I often consult other people to help choose the best alternative available from a product class. 4. I frequently gather information from friends or family about a product before I buy. 	Bearden, Netemeyer, & Teel, 1989.
Health Consciousness	<ol style="list-style-type: none"> 1. I worry that there are harmful chemicals in my food. 2. I am concerned about my drinking water quality. 3. I usually read the ingredients on food labels. 4. I read more health-related articles than I did 3 years ago. 5. I am interested in information about my health. 6. I am concerned about my health all the time. 	Jayanti & Burns, 1998.
Price Consciousness	<ol style="list-style-type: none"> 1. I am very price conscious as a customer. 2. Already a minor price increase would reduce my purchase volume for the products/services of this supplier. 3. The price level of the products/services of this supplier is very important for me. 4. I regularly compare the prices of this supplier with the prices of alternative suppliers. 5. I care a lot for low prices. 	Homburg & Stock, 2005.
Trust	<ol style="list-style-type: none"> 1. Chinese consumer electronics meets my expectations. 2. I feel confidence in Chinese consumer electronics. 	Delgado-Ballester, Munuera-

Satisfaction	3.	Chinese consumer electronics never disappoints me.	Aleman, & Yague-Guillen, 2003.
	4.	Chinese consumer electronics guarantees satisfaction.	
Satisfaction	1.	I am satisfied with my decision to get or not to buy Chinese consumer electronics.	Oliver, 1980.
	2.	If I had it to do all over again, I would feel differently about the Chinese consumer electronics.	
	3.	My choice to get or not to buy Chinese consumer electronics was a wise one.	
	4.	I feel bad about my decision concerning Chinese consumer electronics.	
	5.	I think that I did the right thing when I decided to get or not to buy Chinese consumer electronics.	
	6.	I am not happy that I did what I did about Chinese consumer electronics.	
Loyalty	1.	I consider myself to be loyal to the Chinese consumer electronics.	Delgado-Ballester, Munuera-Aleman, & Yague-Guillen, 2003.
	2.	I am willing to pay more for the Chinese consumer electronics than for other products on the market.	
	3.	If the Chinese consumer electronics is not available at the store, I would buy it in another store.	
	4.	I recommend to buy the Chinese consumer electronics.	

Table 2.

Demographic Characteristics

Variable	Group	Frequency	Percent
Age	< 29 years of age	56	16%
	30-39	66	19%
	40-49	57	16%
	>50 years of age	170	49%
	Total	349	100%
Gender	Male	149	43%
	Female	196	57%
	Total	345	100%
Education	No Schooling Completed/Nursery School/ High School (no diploma)	6	2%
	High School or Equivalent, Vocational Training/Technical (2yr)	100	29%
	Associate Degree/Bachelor's Degree	157	45%
	Master's Degree	58	17%
	Ph.D.	23	7%
	Total	344	100%
Ethnic	African American	34	10%
	Caucasian American	266	77%
	Hispanic American	11	3%
	Asian/Asian American	26	8%
	Others	8	2%
	Total	345	100%

Table 3

Reliability and Validity Test Results

Construct	Indicator	Loading	t-value	SMC	Cronbach- α	AVE	C.R
Social Influence	SI 1	0.86	20.39	0.67	0.91	0.78	0.88
	SI 2	0.93	23.20	0.79			
	SI 3	1.00	-	0.87			
Word-of-Mouth	WOM 1	1.00	-	0.89	0.88	0.80	0.82
	WOM 2	0.93	19.36	0.70			
Health Consciousness	HC 1	1.00	-	0.61	0.80	0.62	0.75
	HC 2	0.95	14.08	0.86			
	HC 3	0.78	11.30	0.38			
Price Consciousness	PC 1	1.00	-	0.60	0.88	0.60	0.85
	PC 2	0.91	13.75	0.55			
	PC 3	0.99	15.75	0.70			
	PC 4	0.97	14.21	0.58			
	PC 5	0.95	14.21	0.58			
Trust	TR 1	1.00	-	0.56	0.93	0.72	0.88
	TR 2	1.25	21.47	0.80			
	TR 3	1.11	15.69	0.75			
	TR 4	1.19	16.13	0.79			
Loyalty	LOR 1	1.00	-	0.79	0.91	0.77	0.84
	LOR 2	1.00	22.45	0.77			
	LOR 3	1.06	22.14	0.76			
Satisfaction	SAT 1	1.00	-	0.42	0.75	0.52	0.74
	SAT 2	1.16	9.63	0.65			
	SAT 3	0.95	14.21	0.48			

Goodness-of-fit: $\chi^2_{2207}=407.90$, $p<0.00$; GFI=0.91; NFI=0.93; CFI=0.96; RFI=0.91; IFI=0.96; TLI=0.95; RMR=0.07; RMSEA=0.05

Table 4

Construct Means, Standard Deviations, and Correlations

Construct	SI	WOM	HC	PC	TR	LOY	SAT
SI	1.00						
WOM	0.23	1.00					
HC	0.14	0.26	1.00				
PC	0.12	0.14	0.34	1.00			
TR	0.21	0.67	0.07	-0.01	1.00		
LOY	0.18	0.64	0.12	-0.06	0.78	1.00	
SAT	0.06	-0.09	0.18	0.25	-0.18	-0.22	1.00
Means	4.20	3.79	4.89	5.09	3.45	2.93	4.53
S.D	1.10	1.22	1.09	1.00	1.10	1.19	0.79

*SI: Social Influence, WOM: Word-of-Mouth, HC: Health Consciousness, PC: Price Consciousness, TR: Trust, LOY: Loyalty, SAT: Satisfaction

Table 5

Structural Model Results

Structural Path	Coefficient	t-Value
H1: Word-of-Mouth → Social Influence	0.23	4.18***
H2: Word-of-Mouth → Health Consciousness	0.21	3.67***
H3: Word-of-Mouth → Price Consciousness	0.11	2.20*
H4: Social Influence → Health Consciousness	0.10	1.64
H5: Social Influence → Price Consciousness	0.09	1.59
H6: Health Consciousness → Trust	-0.07	-1.78
H7: Price Consciousness → Trust	-0.11	-2.54**
H8: Trust → Satisfaction	-0.15	-3.19**
H9: Satisfaction → Loyalty	-0.07	-0.96
H10: Trust → Loyalty	1.09	14.37***

Goodness-of-fit: $\chi^2_{215}=445.92$, $p<0.00$; GFI=0.90; NFI=0.92; CFI=0.96; IFI=0.96; TLI=0.95; RMR=0.09; RMSEA=0.06

*** $p<0.001$, ** $p<0.01$, * $p<0.05$

Table 6.

The Results of the Structural Equation Model

No.	Structural path	Result
H1	Word-of-mouth positively influences social influence for the purchase of Chinese consumer electronics.	Supported
H2	Word-of-mouth positively influences consumers' health consciousness for the purchase of Chinese consumer electronics.	Supported
H3	Word-of-mouth positively influences consumers' price consciousness for the purchase of Chinese consumer electronics.	Supported
H4	Social influence positively influences consumers' health consciousness for the purchase of Chinese consumer electronics.	Rejected
H5	Social influence positively influences consumers' price consciousness for the purchase of Chinese consumer electronics.	Rejected
H6	Consumers' health consciousness positively influences consumers' trust for the purchase of Chinese consumer electronics.	Rejected
H7.	Consumers' price consciousness positively influences consumers' trust for the purchase of Chinese consumer electronics.	Supported
H8.	Consumers' trust of Chinese consumer electronics positively influences consumers' satisfaction for the purchase of Chinese consumer electronics.	Supported
H9.	Consumers' satisfaction of Chinese consumer electronics positively influences consumers' loyalty for the purchase of Chinese consumer electronics.	Rejected
H10.	Consumers' trust of Chinese consumer electronics positively influences consumers' loyalty for the purchase of Chinese consumer electronics.	Supported